processing and support of CLEC orders is substantially inferior to the support provided to the Ameritech retail world. Given these problems, it is no surprise that as AT&T order volumes increase, AT&T's confidence in Ameritech's actual support capabilities continues to erode.

Second, Ameritech continues to refuse to offer true shared local transport as an unbundled network element. Ameritech's latest "Shared Company Transport" proposal, like its previous "Shared Carrier Transport" offer, is not shared transport at all but merely a variant of dedicated transport. Ameritech's proposal on transport remains fatally inadequate -- it denies CLECs the full functionality of the unbundled transport facilities; it requires CLECs to rely on dedicated facilities; and it prohibits CLECs from transporting traffic over existing, switched network facilities. If adopted, this proposal would effectively prohibit CLECs and their customers from benefiting from the efficiencies, including the dynamic routing capabilities, inherent in Ameritech's existing network.

Third, Ameritech continues to refuse to provide unbundled local switching. The cosmetic changes made to Ameritech's ULS offering do nothing to remedy the noted failings of Ameritech's original ULS offer. Even under the current proposal, Ameritech attempts impermissibly to restrict the right of ULS purchasers to provide and charge for access services. This attempt to keep access revenues for itself is directly contrary to this Commission's Order in the Wholesale/Platform proceeding, Docket No. 95-0458/0551, and to the FCC's rules. Ameritech has also failed to show that it is adequately providing customized routing of operator services/directory assistance traffic.

Fourth, Ameritech is not yet providing access to its structures in a manner consistent with its Section 271 obligations. Ameritech's offer creates unfair hurdles for

CLECs by failing to provide them equal access to Ameritech's poles, ducts, conduits and rights-of-way.

Finally, Ameritech's refusal to provide route indexing-portability hub ("RI-PH") as an interim number portability method is unjustified in view of the growing body of evidence that RI-PH is technically feasible and that it offers substantial advantages over other interim number portability options.

ARGUMENT

I. AMERITECH HAS NOT YET DEMONSTRATED THAT IT IS PROVIDING NONDISCRIMINATORY ACCESS TO ITS OPERATION SUPPORT SYSTEMS.

As noted above, Ameritech specifically requested that this docket be reopened so it could supplement the record with additional evidence necessary to remedy "checklist" shortcomings identified by the Hearing Examiner. As to its operation support systems ("OSS"), Ameritech sought to demonstrate, contrary to the conclusions reached by the Hearing Examiner, that its specifications were complete, that its systems were in a state of operational readiness, and that CLEC orders were being processed in the same time and manner as the orders submitted by Ameritech's own retail units. Yet despite the retention of two outside consultants and the submission of additional testimony with substantial exhibits (including six binders of ordering guides that were not previously made available to CLECs before Ameritech filed them in this docket), Ameritech's OSS supplemental offer of proof falls far short of its mark. To the contrary, the evidence submitted during the two days of supplemental hearings conclusively demonstrates that Ameritech's OSS are seriously deficient.

The most startling aspect of the supplemental testimony submitted by Ameritech's OSS witnesses is the witnesses' utter failure to consider and acknowledge the significant system problems chronicled in Ameritech's own documents and made apparent by CLEC use. For instance, Mr. Rogers unequivocally asserted that all system "bugs" had been fixed, while Ameritech's contemporaneous internal documents candidly discussed numerous errors and processing delays that continue to plague Ameritech's order processing. Similarly, Mr. Meixner, Ameritech's "systems expert" from Andersen Consulting, conducted an artificially narrow review of Ameritech's systems, testifying that the OSS interfaces were "fully operational" without ever looking at or considering the numerous problem logs prepared by Ameritech personnel detailing known system problems -- including the "late 865" notices of completion and the double-billing problem. In like fashion, Ms. Foerster testified that Ameritech's EDI specifications were complete without making any attempt to analyze current actual use of those specifications by CLECs.

But while Ameritech's witnesses were carefully side-stepping these thorny system problems, Ameritech systems' personnel were candidly discussing, in internal documents, the numerous system shortcomings. It is through these documents -- and through the performance data compiled and presented by AT&T -- that the real evidence of Ameritech's OSS capabilities emerged. This evidence conclusively demonstrates that, despite Ameritech's repeated assurances to the contrary, Ameritech's OSS are not yet operationally ready and Ameritech is not yet providing CLECs with access to its OSS that is nondiscriminatory. In sum, and consistent with the Hearing Examiner's previous

conclusions, it is still simply too early to conclude that Ameritech can or will provide CLECs with the necessary OSS support.

A. AMERITECH MUST AFFIRMATIVELY DEMONSTRATE THAT IT IS PROVIDING NONDISCRIMINATORY ACCESS TO ITS OPERATION SUPPORT SYSTEMS.

Ameritech carries the burden of proof to show that it is providing nondiscriminatory access to its operations support system functions for pre-ordering, ordering, provisioning, repair and maintenance, and billing functions. See In re the Implementation of the Local Competition Provisions in the Telecommunications Act of 1996, CC Docket No. 96-98 (August 8, 1996) ("First Report and Order"), ¶ 523. The FCC found that such nondiscriminatory access necessarily includes access to the functionality of any internal systems that the incumbent employs in servicing its own customers. Id. The FCC also mandated that the access be nondiscriminatory. This means, in part, that an incumbent that provisions network resources "electronically" does not discharge its obligations by offering competing providers access that involves "human intervention." Id.

The critical importance of OSS access is unquestionable. As noted by the FCC, "[i]t is absolutely necessary for competitive carriers to have access to operations support systems functions in order to successfully enter the local service market." First Report and Order, ¶ 521. The record now before this Commission conclusively demonstrates that Ameritech has not met its OSS obligations.

B. AMERITECH'S PERFORMANCE RESULTS CONCLUSIVELY SHOW THAT AMERITECH IS NOT PROVIDING NONDISCRIMINATORY ACCESS TO ITS OSS.

Since the January hearings in this docket, AT&T has compiled comprehensive performance data on Ameritech's actual -- as distinct from promised -- OSS capabilities. This data includes information from the first quarter of 1997, when the volume of orders submitted by AT&T for processing increased substantially. During this period, AT&T also began receiving data through Ameritech's billing interfaces and, through the discovery process, AT&T obtained information relevant to Ameritech's claims regarding its repair and maintenance capabilities. This evidence shows that Ameritech's OSS are far from a state of operational readiness needed to support competitive entry.

(1) The Ordering/Provisioning Interface

Ameritech has been repeatedly assuring this Commission that its OSS ordering capabilities have been operationally ready since it first filed testimony in this docket last December. Those assurances were offered again during the January hearings, with all of Ameritech's witnesses asserting that its OSS were fully functioning without qualification. But AT&T has now acquired significant experience with Ameritech's ordering interface and the actual performance data tells a very different story. As discussed in the testimony of AT&T's OSS expert, Timothy Connolly, Ameritech's OSS ordering and provisioning performance during the first quarter of 1997 amply demonstrates that Ameritech is not yet able to support competitive market entry in a stable, reliable and nondiscriminatory manner.

More specifically, between January 1 and April 4, 1997, AT&T submitted 1,444 customer orders to Ameritech Illinois. AT&T Ex. 4.2, p. 6. (Connolly Supplemental Direct Testimony). The vast majority of those orders were "assume as specified" orders, or orders which involve only the simple migration of residential customers from Ameritech

to AT&T. Id., p. 9. Yet despite the simplicity of the orders, AT&T's orders consistently were subjected to unreasonably high rejection rates, unjustified delays in processing, and unacceptable levels of manual intervention. See, e.g., id., pp. 8-31. Through Mr. Connolly, AT&T presented a detailed discussion of Ameritech's numerous performance deficiencies. The performance data attached to Mr. Connolly's testimony supporting AT&T's case has gone unchallenged on this record.

The competitive impact of these deficiencies is obvious. For instance, one critical example of Ameritech's performance can be found in an assessment of Ameritech's ability to provision new service in a timely fashion. In reporting on its performance, Ameritech alleged that it was meeting due dates for the vast majority of CLEC orders. What Ameritech did not report, however, is that the "due date" that Ameritech is meeting is one that Ameritech has assigned to the order -- not the date requested by CLECs. As shown in Exhibit TMC-006(e), Ameritech simply modifies the AT&T requested due date when it cannot make the committed interval. See also, Connolly Testimony at 19-20. For instance, of the 211 orders submitted by AT&T during the week of March 23, Ameritech modified the requested due date for approximately 44% of the customers. See TMC-006(f). When Ameritech's performance for that same week is assessed against the AT&T requested due date (which represents the Ameritech standard offered interval for the type of order being submitted[2]), it can be seen that Ameritech completed over 40% of AT&T's orders late. See TMC-006(e).

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[2] Ameritech's business rules for order processing are:
- For "assume as is" or "assume as specified" orders received before 12:00 p.m. -- the due date is the same day;
- For change orders received before 3:00 p.m. -- the due date is the same day;
- For disconnect orders received before 4:00 p.m. -- the due date is the same day.

Even more troubling, recent evidence demonstrates that, as order volumes grow, Ameritech is increasingly unable to process orders in a timely manner. In the last two weeks of April, the volume of orders AT&T submitted to Ameritech increased substantially. See AT&T Cross Ex. 19. As AT&T's order volumes ramped up, Ameritech's performance deteriorated -- despite the fact that the total volume of orders submitted were well within Ameritech's well-publicized capacity claims.[3] The performance deterioration can be seen most dramatically in the growing number of "backlogged" 855s, a system-generated acknowledgment transaction that should be sent "within minutes" of receipt of an order into Ameritech systems.[4] Tr. 1946.

The 855 backlog problem first emerged when AT&T's order volume increased on April 23, when AT&T submitted 1,296 Illinois orders. See AT&T Cross Ex. 19. AT&T sent similar volumes of orders on April 24 and 25, and again in early May. While these volumes represented new highs for AT&T, they were well within Ameritech's stated capacity. Ameritech nonetheless stumbled as it attempted to process these orders, as can be seen by the dramatic increase in the number of backlogged 855s. See AT&T Cross Ex. 19. For example, of the 899 orders inserted on April 25, 309 of them had not yet been acknowledged by receipt of an 855 four days later. See AT&T Cross Ex. 13 and 36.

When asked about this growing backlog problem, Mr. Rogers explained that it was "because of manual intervention." Tr. 1951. In short, these orders were sitting on an

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See AT&T Cross Ex. 34.

[3] Ameritech currently claims that it can process 250,000 orders a month, or in excess of 10,000 per day. Tr. 1947, 1950.

[4] The 855 can either acknowledge acceptance of the order for processing or reflect rejection of the order for the reason stated on the acknowledgment transaction.

Ameritech service representative's desk waiting to be entered into Ameritech's systems. This provides clear evidence that manual intervention -- particularly at the levels utilized by Ameritech -- causes delays in processing.

Indeed, evidence introduced at the supplemental hearing confirmed many of the concerns raised by CLECs about Ameritech's heavy reliance on manual intervention. That a causal link exists between manual fall-out and processing delays is conclusively demonstrated by Ameritech's own internal analysis of 855 response time. See AT&T Cross Ex. 20. As can be seen in that analysis, an order is much more likely to receive a delayed 855 response (in excess of 24 hours after the order was submitted) when the order is subjected to manual intervention. This is true for completed orders as well as rejected orders, as convincingly demonstrated by the 855 response time data reported by Ameritech for the week ending April 25:

855 Response Time by % of Orders

	Within 24 hours	Over 24 hours
Completed automatically:	96.5%	3.4%
Completed manually:	45.0%	55.0%
Rejected automatically:	100.0%	0.0%
Rejected manually:	6.3%	93.8%

See AT&T Cross Ex. 20, p. 1.

Ameritech documents also confirmed that manual intervention introduces the potential for additional processing errors. Although Ameritech has denied this -- and has vigorously defended manual intervention as a "business decision" -- there can now be no doubt that Ameritech service representatives make errors that cause orders to be rejected or mishandled. See AT&T Cross Ex. 32 (discussing order processing problems raised by AT&T which Ameritech conceded were caused by "service representative error"). Even Ameritech's own EDI expert, Ms. Foerster, readily admitted that removing manual tasks and activities will increase the accuracy and efficiency of the processing flow. Tr. 1650.

Together, this evidence demonstrates that manual processing cannot simply be dismissed as an appropriate "internal business strategy," but must be carefully considered when assessing OSS availability. This is particularly true given the high percentage of orders that Ameritech is subjecting to manual processing, which for the month of April rose to approximately 44% of all EDI orders submitted by CLECs. See Amer. Ex. 9.1 (Rogers Supplemental Direct Testimony). And this figure will no doubt rise even more when AT&T expands its service offering to include more complex business services; March orders from resellers offering business services (customer numbers 1007, 43 and

52) required manual intervention approximately 80% of the time.[5] See AT&T Cross Ex. 31.

While these problems alone demonstrate that Ameritech systems are not a state of operational readiness, they are not the only documented deficiencies. A number of other system problems continue to plague Ameritech's systems, not the least of which is the fact that end users are still being billed by Ameritech for local services despite the fact that they have changed their service provider to AT&T. While Ameritech witnesses have thus far reluctantly acknowledged only a "potential" for double billing (Tr. 1895), the evidence reveals that this problem is, in fact, very real. See AT&T Cross Ex. 24 (an AT&T customer's bills from both AT&T and Ameritech for the same local services). It is also uncontroverted that the cause of this problem is the failure of two internal Ameritech systems to communicate correctly with each other. See AT&T Cross Ex. 25. The only question is how many of AT&T's customers have been affected. By Ameritech's own count, that number could be as high as 157 (see AT&T Cross Ex. 25 and 26), but to date,

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[5] Ameritech has attempted to mask its manual processing problems by refusing to tell AT&T which of its orders required manual intervention for processing. See AT&T Ex. 4.2, pp. 24-26. Ameritech defends this decision by arguing that it is "unreasonable" to expect Ameritech to review each order with each carrier for the purpose of explaining why manual intervention is necessary. Amer. Ex. 9.1, p. 30 (Rogers Supplemental Rebuttal Testimony). But that is not what AT&T is asking, or what the Proposed Order required. AT&T is merely requesting that Ameritech return to the practice it previously followed of providing Ameritech with Order Status Reports that include information as to how each order was processed and that reflect any order processing remarks that may have been recorded. All of this information is maintained by Ameritech in the normal course of its business operations.

Moreover, Ameritech's refusal to share this type of information with AT&T is directly contrary to the advice of its own EDI consultant. Ms. Foerster testified that "good communications links" are important in the implementation of EDI and that companies who do business together need to exchange information freely to ensure smooth processing. Tr. 1653-54.

the actual number has not been verified and no customer has received any billing adjustments from Ameritech.

Ameritech has also not yet resolved " 1P" and "3E"[6] errors that continue to haunt its systems. Although Mr. Rogers dismisses these errors as the expected consequence of system operations Amer. Ex. 9.1, p. 27-28 (Rogers Supplemental Rebuttal Testimony), Ameritech's internal memoranda show that these errors create substantial order processing delays. For instance, on April 3, Ameritech discovered that 3E errors had caused 1,300 CLEC orders to remain in Ameritech's ACIS internal Legacy System for over 3 months. See Ameritech Order Processing Log, TMC-13, p. 26, problem 156.

It is also clear that 1P errors cause processing delays. Mr. Rogers attempted to downplay this problem as well, testifying that 1P errors can be fixed in a "matter of seconds" and the order promptly reflowed. Amer. Ex. 9.1, p. 28 (Rogers Supplemental Rebuttal Testimony). Once again, however, Ameritech's own documents tell the real story. According to an internal Ameritech memorandum, 1P errors "may result in extensive work for the service center and/or referral to ACIS for resolution." See AT&T Cross Ex. 27. It is also reported that "these corrections may take weeks to resolve," and that this "performance defect" impacts revenue for resellers. Id. This is hardly a minor system glitch, as Ameritech attempts to portray it.

Ameritech's cavalier attitude toward serious system problems that directly impact CLEC ordering is also reflected in its investigation and resolution of the "late 865" problem. An 865 acknowledgment is sent to CLECs by Ameritech when a CLEC order is

[6] As discussed in Mr. Connolly's testimony, 1P and 3E errors are Ameritech system generated errors that may be caused by a variety of known and unknown circumstances. Those errors are not caused by any problem with the manner in which the orders are being submitted by CLECs.

completed. Upon receipt of an 865, a CLEC can acknowledge the newly-acquired customer, send the customer necessary account information, attempt to sell the customer additional services and begin billing the customer for local usage. Prior to the time the 865 is received, a CLEC can do none of these activities as it must assume that the customer still belongs to Ameritech.

As early as February 10, Ameritech discovered that 865s were, at times, being sent to CLECs days after the order was completed. TMC-13, p. 16. In prioritizing this problem, Ameritech categorized it as "priority 3" -- meaning that resolution of the problem could wait until the next release of the application. Given this low level of concern, it is no surprise that by early March, AT&T was receiving late 865s for approximately 80% of the orders it submitted. See TMC-06(i) and (j).

Mr. Rogers now acknowledges the seriousness of the 865 problem, and admits that Ameritech Illinois used "faulty judgment" is assigning it low level priority. He now asserts that the problem has been resolved, but he offers no performance data that supports that conclusion. Mr. Rogers also attempts to dismiss the entire situation by asserting that AT&T's ability to serve its customers was not "materially affected." Amer. Ex. 9.1, p. 40 (Rogers Supplemental Rebuttal Testimony). For the record, AT&T considers the inability to identify and bill its customers to be a material problem. And, equally important, this problem is not one that Ameritech faces in servicing its own customers.

Ameritech's systems are also hindered by defects which cause problems for which Ameritech has offered no explanation. For example:

- As of April 1, "new orders" were being rejected, despite the fact that the orders were "perfectly valid." Ameritech concluded that the orders should be routed to manual processing. TMC-13, p. 4.
- In April, a number of "RSID" rejects were re-errored as many as five times before being completed. Some of the errors could not be resolved in the service center and had to be referred to the "Error Correction Desk." AT&T Cross Ex. 29.
- In April, service orders were completed late, which resulted in incorrect usage billing. AT&T Cross Ex. 41. As a possible solution, an Ameritech document proposes that no adjustment be made for the improper billing, even though the reseller would be penalized for Ameritech's errors and the end user would be billed more than was appropriate. Id., p. 2.
- As of April 9, MCI resale orders were still not being timely dropped to billing, creating system problems and revenue issues for MCI. MCI Cross Exhibit 1.

Yet despite these well-documented shortcomings, Mr. Rogers again assured this Commission on May 2 that all of Ameritech's system "bugs" had been fixed (Amer. Ex. 9.1, p. 5., Rogers Supplemental Rebuttal Testimony), that AT&T's April orders were processed "virtually without a hitch" (Id., p. 2), and that Ameritech's OSS were operationally ready. Id., p. 5. Ameritech and Mr. Rogers have been proclaiming these systems ready at least since January, however, and each time they have been proven wrong. The time for empty assurances by Ameritech is long past, particularly when Ameritech's own documents -- and a review of its actual performance -- tell an entirely

different story. It is the availability of Ameritech's OSS that will "determine, in large part, the speed and efficiency with which incumbent LECs can market, order, provision, and maintain telecommunications services and facilities." First Report and Order, ¶ 516. Given the current state of Ameritech's ordering and provisioning OSS, meaningful competition is not yet a possibility.

(2) **Repair and Maintenance**

The supplemental evidence regarding Ameritech's repair and maintenance interface also demonstrates that Ameritech's conclusory assurances of operational readiness cannot be accepted. In his supplemental rebuttal testimony, Mr. Rogers reported that Ameritech Payphone Services is using the EBTA interface "to access all repair and maintenance sub-functions through the GUI [graphical user interface] tool to process thousands of trouble reports." Amer. Ex. 9.1, p. 43 (Rogers Supplemental Rebuttal Testimony). Mr. Rogers did not discuss any problems experienced by Ameritech Payphone Services in connection with its use of the GUI tool or any difficulties it had with the interface. Based on this usage, Ameritech asserted that the interface was operational.

Once again, Ameritech's documents tell the real story, starting with an April E-mail message on the subject of "GUI Server Problems." AT&T Cross Ex. 37. That e-mail message discusses eight GUI incidents that caused more than five hours of outages for GUI customers. The message concluded that "we must provide improved stability to the GUI customers." In addition, on April 18, Ameritech Payphone reported that it did not have access to LMOS, an Ameritech Legacy System that supports the restoration of failed or troubled lines. AT&T Cross Ex. 38. After listing six separate problems, the Ameritech Payphone representative concluded that "without LMOS and the manner in

which 'EB' [electronic bonding] works today we [Ameritech Payphone] are not able to handle our flow of trouble reports efficiently." An April 21 memorandum documents yet another LMOS problem. AT&T Cross Ex. 39. Yet, none of these incidents were considered by either Mr. Rogers or Mr. Meixner in offering their conclusions that the repair and maintenance interface was operational.

C. THE ANDERSEN REVIEW PROVIDES NO BASIS FOR CONCLUDING THAT AMERITECH HAS MET ITS OSS OBLIGATIONS.

In support of its supplemental submission, Ameritech presented the testimony of Robert Meixner, a "systems" expert from Andersen Consulting, who opined that the interfaces offered by Ameritech were "operationally ready." Despite Ameritech's aggressive use of the Andersen name and results in the press and before this Commission, the Andersen review was simply too narrow in scope to be informative and too shallow in execution to be credible. Accordingly, the conclusions reached by the Andersen team are of questionable validity and are of no real usefulness to the Commission.

First, as to the scope of the review, the Andersen mandate was remarkably narrow, particularly given Ameritech's public claims asserted that the Anderson Consulting team, which included Mr. Meixner and a team of 33 expert Andersen consultants (see AT&T Cross Ex. 16), had "reviewed its ordering system" and "verified its 'readiness' to be hooked up to other carriers." See, e.g., April 16, 1997 Dow Jones New Service: Ameritech Reports Profit Rose 12% in First Quarter. A common sense interpretation of this assertion suggests that Andersen had reviewed and confirmed the readiness of all the systems used by Ameritech to process CLEC orders. But when asked to confirm this

statement, Mr. Meixner could not, as the Andersen team had conducted no such comprehensive review. Tr. 1085-06.

To the contrary, the Andersen team spent approximately 3,500 labor hours (Tr. 1770) evaluating only the performance of the Ameritech interfaces -- or the door through which CLEC orders must pass on their way to being processed by Ameritech's underlying legacy family of systems. Tr. 1800-01. The Andersen team did NOT look at any of the "downstream" processing systems used by Ameritech to track or complete orders, restore failed service, track customer usage or generate billing. Nor did the Andersen team concern itself with actual performance data relating to due date performance, the late 865 problem; the mounting order backlog issues; or the myriad of other performance issues raised by AT&T and other CLECs. Tr. 1800-01, 1805-10.

Remarkably, the Andersen team did not even consider the double billing problem or determine its cause -- a problem that raises glaring questions as to operational readiness. Indeed, Mr. Meixner went so far as to testify that the fact that customers are being double billed on a systematic basis did not affect his conclusion that the interfaces are "operationally ready," (Tr. 1808), dismissing the entire problem by glibly noting: "[t]hat's not an interface issue." Tr. 1808.

Given the extremely narrow focus of their inquiries, it is no surprise that the 34-member Andersen team did not review many of the documents that have become the critical offers of proof in this docket. For instance, the Andersen team neither asked for, received, nor reviewed any data relating to the multiple system problems that Ameritech was and is currently experiencing. Among the items that the 34 member team did NOT review or consider in formulating its conclusions are the six Ameritech problem logs

attached to Mr. Connolly's testimony (Tr. 1777) and the issues lists maintained by Ameritech and AT&T in connection with AT&T's service readiness testing. Tr. 1779. In fact, not a single person on the 34 member Andersen team even bothered to ask Ameritech if it had any system by which it tracked OSS problems (Tr. 1778), despite Mr. Meixner's observation that it was "surprising" that certain order reject problems were not resolved more quickly. Tr. 1781-82.

No CLECs were contacted or interviewed (Tr. 1782), and no effort was made to determine whether any CLECs had problems in accessing Ameritech's systems. Tr. 1784. Perhaps it is no coincidence that Ameritech retained a systems "expert" with no prior experience with the types of systems being made available by Ameritech pursuant to the Telecommunications Act of 1996. Tr. 1760.

Given the narrow scope of the Andersen review, any assertion that Mr. Meixner's testimony confirms "operational readiness" of Ameritech's OSS is ludicrous. It is akin to starting an automobile and concluding that it is "operational" without checking: (1) whether the accelerator will move the car forward; (2) whether the steering wheel can be used to maneuver it; and (3) whether the brake will make it stop. Indeed, the Andersen team appears to have worked diligently to avoid any substantive review that might have yielded unfavorable results. For example, Mr. Meixner testified that the degree to which Ameritech was relying on manual intervention was of no concern to him as long as Ameritech was making its due dates. Yet, at the same time, he admitted that the Andersen team did nothing to assess Ameritech's due date performance. Tr. 1812-13.

However incredible Mr. Meixner's conclusions may be, they come as no surprise. The real purpose of the Anderson retention was disclosed on March 10, 1997 -- three days

before any substantive review commenced. The very first line of the Andersen retention letter makes the purpose of the consulting "arrangement" clear: Andersen was to "provide assistance to Ameritech in their filing of [an] application to offer interLATA long distance telecommunication services." See AT&T Cross Ex. 21. If the intent of that language was in any way ambiguous, the Andersen mission was further clarified on page 2, where Andersen promised to deliver "an affidavit/written testimony to be used as part of Ameritech's interLATA long distance filing." Id. Only an affidavit of operational readiness would fill this bill. A March 12, 1997 Andersen memorandum further confirmed Andersen's pre-review commitment to deliver the work product sought by Ameritech: an "affidavit of operational readiness" and an "affidavit of satisfactory capacity." See AT&T Cross Ex. 18. Mr. Meixner confirmed at the hearing that affidavits complete with favorable opinions were the "intended work products" of the engagement. Tr. 1775.

In short, Andersen's 3,500 hour review adds nothing to the question of whether Ameritech's OSS are sufficient to support competitive entry. At best, it demonstrates only that CLECs are able to send transactions electronically to Ameritech. It says nothing about how those transactions are processed by Ameritech once they are received, whether they are being processed in a manner equal to Ameritech's processing of its own retail orders, or, for that matter, whether they are being processed at all. At worst, the Andersen contribution to this docket shows only that Ameritech can hire a team of consultants to spend thousands of hours gathering documents that purport to support a predetermined conclusion. In either event, the testimony provides no useful evidence on the checklist compliance questions pending before this Commission.

D. MS. FOERSTER'S TESTIMONY FURTHER DEMONSTRATES THE DEFICIENCIES IN AMERITECH'S OSS OFFERING

On the question of its EDI specifications, Ameritech presented the testimony of Rachel Foerster, an EDI consultant with experience largely in the health care industry. Ms. Foerster acknowledged that she has no prior experience in the telecommunications industry (Tr. 1646-47), and she did not review any actual performance data related to Ameritech's implementation of an EDI interface in formulating her conclusions. Id., pp. 1657, 1682. Indeed, Ms. Foerster denied having sufficient knowledge of Ameritech's systems to even make a recommendation as to the type of testing that would be necessary to ensure that the interface was currently operational. Id., p. 1666. Thus, as to the question of whether Ameritech's EDI interfaces are actually capable of supporting CLEC market entry, Ms. Foerster's testimony adds nothing.

Ms. Foerster did offer insights into the implementation of an EDI interface and the manner in which the interface should work, however, and that testimony only underscored the frailties in Ameritech's EDI implementation plan. For instance, Ms. Foerster identified EDI as the "intercompany electronic transmission of business documents in a standard format *without human intervention.*" AT&T Cross Ex. 13, p. 3 (emphasis in original). She further explained the benefits to be achieved by electronic (not human) EDI processing, including improved accuracy, reduced clerical errors and better customer service. AT&T Cross Ex. 14, p. 3. Yet, Ameritech attempts to defend its current 44%

manual fall-out rate as an Ameritech "business decision" that should be of no concern to CLECs.[7]

On the question of testing newly-implemented interfaces, Ms. Foerster discussed the multi-phased pilot testing necessary to ensure that the interfaces are functioning properly. AT&T Cross Ex. 15, p. 21. According to Ms. Foerster, various phases of the pilot test are usually run until "both trading partners are comfortable with the system," which usually take "several months." AT&T Cross Ex. 15, p. 21; Tr. 1659. She further testified that it's important to continue testing the systems until both parties are in "agreement . . . that the respective EDI systems are accurately processing exchange data." Tr. 1658. By contrast, Ameritech unilaterally declared the readiness of its systems in January and it has denied that systems problems exist ever since, despite documented deficiencies being experienced by all its trading partners. Yet, the current system problems should be no surprise. As explained by Ms. Foerster, "deficiencies" in current internal systems that had previously gone undetected are "brought to light" when EDI is implemented. AT&T Cross Ex. 15, p. 6.

Ms. Foerster also cautioned against expanding beyond the testing phase by adding new trading partners and new transactions at the same time. AT&T Cross Ex. 15, p. 22; Tr. 1660-61. She testified that, as new types of transactions are added, new complexities or problems with the interface may arise. Id., p. 1661. For this reason, it is important that the interface be thoroughly tested for each type of transaction that the parties expect to exchange. Tr. 1661. Ameritech's current rush to judgment on its OSS more than amply

[7] Notably, Ms. Foerster made no effort to determine whether Ameritech's pervasive reliance on manual processing was appropriate or warranted. Tr. 1682.

demonstrates the wisdom of this advice, and Ameritech's bold assurances about its purported ability to support all types of competitive entry must be dismissed.

E. AMERITECH HAS NOT SHOWN THAT IT IS PROVIDING CLECS WITH ACCESS TO ITS OPERATION SUPPORT SYSTEMS THAT IS NONDISCRIMINATORY.

As noted above, Ameritech is not only required to provide access, but it must do so in manner that is similar to the access being provided to Ameritech's own service representatives. Yet Ameritech presented no evidence to overcome the deficiencies previously noted in Ameritech's parity reporting proposals. Indeed, Ameritech's parity proposals, known at Ameritech as a "Quality Initiative Analysis Report" (See, e.g., Amer. Ex. 8.2, Mickens Supplemental Reply Testimony), are still at a level so superficial as to render the reported data meaningless. As previously criticized by the Hearing Examiner in the proposed Order, a CLEC relying on Ameritech's reported data would be unable to compare average provisioning intervals, would be denied any useful information on actual or mean "time to restore failed services" and would be unable to assess Ameritech's performance for different types of services or products. Bad performance on certain limited products or services could be masked by better performance for broader service offerings.

AT&T, working in unison with other CLECs, has now proposed specific "benchmark performance" standards that represent the minimum levels of performance that Ameritech should be required to meet in order to avoid a finding that it is not in compliance with the parity requirements of the 1996 Act., See AT&T Ex. 3.2, Exhibits I and II. (Supplemental Direct Testimony of C. Michael Pfau). These standards were

developed by a Local Competition Users Group in response to Ameritech's utter unwillingness to disclose actual performance data that would provide a basis for a true parity analysis. The standards also include a discussion of the actual performance levels that incumbent LECs must maintain to avoid the possibility of CLECs being disadvantaged through the receipt of inferior system access or service performance. AT&T urges the Commission to endorse these standards and to adopt them as the criteria for determining whether the access being provided by Ameritech is nondiscriminatory.

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In the previous proposed Order entered in this docket, the Hearing Examiner concluded that it was "simply too early" to determine whether the OSS will operate properly. Proposed Order, p. 28. It was also concluded that, because internal testing performed by Ameritech could not resolve all of the problems that would arise, actual testing with other carriers -- and the corresponding performance results -- would provide the empirical evidence necessary to determine whether Ameritech's OSS were operational and functional. That evidence is now available, and it will support only one conclusion: Ameritech's systems are not functioning in a manner sufficient to support local competition.

Ameritech must show that carriers will be able to utilize Ameritech's OSS in a manner sufficient to accommodate the demand for new LEC services by end users. Ameritech has not made that showing. Erratic and unreliable OSS performance coupled with service-affecting system problems make it impossible for CLECs to pursue new market entry strategies with any confidence that the necessary system support will be forthcoming. Given the critical role OSS will play in the emergence of real competition

-- and the incentives driven by the promise of interLATA authority -- the Hearing Examiner should again find that Ameritech has not yet satisfied its OSS obligations.

II. AMERITECH CONTINUES TO REFUSE TO OFFER SHARED LOCAL TRANSPORT AS AN UNBUNDLED NETWORK ELEMENT.

As the Proposed Order recognized, Ameritech is required under §251(c)(3) to provide requesting carriers nondiscriminatory access to unbundled local transport facilities and "the features, functions, and capabilities that are provided by means of such facilit[ies]." Further, such unbundling is a separate "competitive checklist" item under §271(c)(2)(B).

Ameritech has offered two forms of unbundled interoffice transport: 1) dedicated transport; and 2) "shared" transport. Its offering of dedicated transport is not at issue in this proceeding. As to shared transport, in the previous round of hearings in this case, Ameritech's proposal was termed "Shared Carrier Transport." Under that proposal, a requesting CLEC was allowed to purchase dedicated trunks between end offices, paying a fixed monthly charge; the CLEC could, if it so desired, arrange to share the dedicated trunk with other CLECs (or resell it to them), but under the proposal, no Ameritech traffic would be carried on the same trunks as carried CLEC traffic. If the CLEC purchaser had insufficient traffic volume to justify the purchase of such transport, Ameritech offered a hybrid transport/switching alternative that required the purchaser to pay wholesale usage rates for both transport and switching. Amer. Ex. 1.1, pp. 56-57 (Gebhardt Rebuttal Testimony).

AT&T and other parties contended that Ameritech's proposal was inadequate, in that Ameritech's version of "shared" transport was really a form of dedicated transport, and that it failed to make available true shared (i.e., "common") transport. The Proposed Order correctly concluded that this proposal did not satisfy Ameritech's obligation to provide unbundled local transport.

> We find that Ameritech's position on shared transport is inconsistent with the FCC's Order and with the common understanding of shared transport. The Commission is of the opinion that shared/common transport is a network element required to be unbundled to satisfy the requirements of Section 251(c)(3). Therefore, this element of the checklist has not been met. Proposed Order, p. _____.

In its supplemental direct testimony, Ameritech presented a slightly modified proposal which it calls "Shared Company Transport." Under this latest version, a requesting CLEC can purchase DS-1 or larger trunks under the same terms as set forth in Ameritech's original, "Shared Carrier Transport" proposal; i.e., it can purchase dedicated transport facilities and, if it chooses, share those facilities with other CLECs. Ameritech would also allow a CLEC to order up to 23 DS-0 level trunks on a DS-1 trunk between two Ameritech end offices. The DS-0 transport facilities would be dedicated to the CLEC and would have to terminate at both ends on dedicated trunk ports separately purchased by the CLEC. If the CLEC desires more than 23 such trunks, it would be required to order a dedicated DS-1 facility. The CLEC would pay for the trunk ports at a fixed monthly rate of 1/24th of the DS-1 trunk port charge for each activated trunk. The CLEC

would also pay for the transport at either (a) a flat rate per activated trunk equal to 1/24th of the DS-1 monthly rate or (b) a usage-sensitive rate based on minutes of use ("MOU").[8]

Like its "Shared Carrier Transport" proposal, Ameritech's "Shared Company Transport" is not shared transport at all. It is just an option to purchase dedicated transport down to a circuit-by-circuit, or DS-0, level. Indeed, Ameritech's own witness described the functionality of the Shared Company Transport as giving the CLEC an opportunity to obtain "dedicated transport services at less than the DS-1 level." Amer. Ex. 1.4, p. 6 (Gebhardt Supplemental Direct Testimony) [emphasis supplied]. As with the Shared Carrier Transport proposal, Ameritech will not make available the full functionality of its transport facilities with a CLEC. As before, CLEC traffic will not be carried over Ameritech's existing, switched network, but will instead be carried over discrete dedicated facilities, specifically provisioned for CLEC use.[9] Specifically, Ameritech's proposal requires CLECs to couple dedicated transport with dedicated trunk ports on each end.[10]

If those dedicated facilities are at capacity or are otherwise unavailable, then another call from a CLEC end-user will not be routed over an alternate path according to

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[8] The MOU price would be the same as the Reciprocal Compensation rates approved in the AT&T arbitration agreement for traffic terminating through a tandem, including per-MOU termination charges and per mile/per MOU facility mileage charges.

[9] In its Supplemental Rebuttal Testimony, Ameritech purported to dispute this characterization, on the grounds that "Ameritech Illinois offers to carry calls over its existing network as a wholesale service at a wholesale price." Amer. Ex. 1.5, p. 5 (Gebhardt Supplemental Rebuttal Testimony). That option does not satisfy Ameritech's obligations under the Act and the FCC rules, however -- in particular because it does not meet the pricing standards of Sec. 252(d) of the Act.

[10] See, Amer. Ex. 1.4, p. 8 (Gebhardt Supplemental Direct Testimony). ("[A CLEC's traffic will not] be carried over Ameritech Illinois' existing, switched interoffice network[.] ... [I]t will be provisioned over dedicated facilities ... .") Indeed, Ameritech has clearly stated that before a CLEC could use Shared Company Transport, "the CLEC would have to designate the trunk routes." Amer. Ex. 1-5, p. 6 (Gebhardt Supplemental Rebuttal Testimony).